

# IREKA CORPORATION BHD (-ve)

IREKA (Fundamental: 0.2/3, Valuation: 0.9/3) was 'Red Flagged' by our algorithm due to its low fundamental score, suggesting that investors should exercise caution. Gearing stood at 67.5%.

The stock rose 2.5 sen or 3.0% to 1-year high of 85.5 sen last Friday, following news that its 23%-owned London-listed property developer Aseana Properties plans to sell off its property assets and return some RM230 million to Ireka over the next few years.

Last December, the construction cum

property developer entered into a SPA to dispose of a 20.9-acre land in Senawang to Aeon for RM53.7 million. Concurrently, it was awarded the project to construct an Aeon shopping mall for RM203.1 million on the land.


Ireka was loss-making in FYMar13-FY14 but returned to profitability in 9MFY15 with net profit of RM8.9 million on the back of higher revenue of RM308.4 million, bolstered by new construction projects. Construction order book stood at RM900 million.



Valuation score*	0.90
Fundamental score**	0.20
TTM P/E (x)	-
TTM PEG (x)	-
P/NAV (x)	0.72
TTM Dividend yield (%)	0
Market capitalisation (mil)	141.82
Shares outstanding (ex-treasury) mil	170.87
Beta	0.51
12-month price range	0.55-0.84

\*Valuation score - Composite measure of historical return & valuation

\*\*Fundamental score - Composite measure of balance sheet strength & profitability

 Stock has momentum but weak fundamentals

Note: A score of 3.0 is the best to have and 0.0 is the worst to have